

Only Sunday Paper

The Oregon Statesman is the only Sunday newspaper published in Salem, the only Sunday paper carrying all the Salem news as well as national and foreign news reports.

Weather

Cloudy and unsettled today and Thursday; probably light rain; little change in temperature. Max. temp. Tuesday 40, min. 28. River 1.2 ft. North wind.

EIGHTY-NINTH YEAR

In One Ear

—Paul Hauser's Column

Odds and Ends:
EXCHANGE—Considering that it was the day after Christmas instead of the day before there was a great throng of people on the streets yesterday. Many of them, we presume, were exchanging gifts and even pricing a few. The prize story on the list today is one about a woman who ordered Paul H. Hauser, Jr. cranberries for Christmas from a Commercial street store. The cranberries arrived and the housewife became indignant, because the cranberries were little, weighed up things that any self-respecting cranberry merchant would not have bothered with. The woman put the sack of cranberries on a pantry shelf.

Yesterday she came down town with fire in her eyes and the sack she had taken from the pantry shelf in her hand. She stormed into the store and approached the manager. "You have a nerve," she said, "calling these things cranberries." She thrust the sack at the manager. He opened it and peered within.

Inside the sack were six big tomatoes.

ONE FOR THE CENSUS—Christmas came near by a double feature for Jack and Mary Minto, who became papa and mama of a baby girl Saturday, thereby making grandparents out of Mr. and Mrs. Doug Minto and School Director Percy Cupper and Mrs. Cupper. Will Mr. McCall and Mrs. Panek of the local census bureau please take note?

LA TRIVIA TA—Jack Hughes, the former roast beef merchant of State street, went back to Cheyenne for the holidays and there were to be a gathering of the clan and big dogs. The party was called off, though, because one of Jack's granddaughters peremptorily selected the day before Christmas to come down with chickenpox. . . . The sheriff's office, which has just finished putting new beds in the jail, was yesterday installing new filing cabinets, not in the jail, however, where files are taboo. Deputy L. L. Hissinger was having quite a time getting the cabinets out of the packing cases. Every time he tugged on the cabinet one of the drawers would pop out and poke him in the stomach. The deputy was NOT heard to remark, patting his holster, that it was the first time he had ever met a faster drawer than he. . . . At the Mr. Hubbs' home January 1 is Mr. Hubbs' birthday and also New Year's day.

COMING SOON—The New Year is imminent. A number of income tax collectors have been noted lurking in the shadows ready to pounce on their prey. Second Big Hit, "Leap Year."

13,000 Chinese Reported Killed

Japanese Drives in South China Take Heavy Toll in Death

HONGKONG, Dec. 26.—(AP)—Japanese dispatches reported tonight that 13,000 Chinese had been killed in coordinated Japanese offensives in the South China provinces of Kwangtung and Kwangsi. (Japanese in Shanghai asserted that 15,000 Chinese also had been killed in bitter fighting both north and south of Hankow, central China metropolis.)

The areas north of Nanning, pivotal Kwangsi province city, and north of Canton, Kwangtung capital and chief city of south China, were the scenes of the Japanese drives in the past week. Japanese reports asserted their troops had killed 7000 Chinese in capturing Wuning, 30 miles north of Nanning.

The Japanese air force was reported active farther north in Kwangsi province, attacking Kweilin, the provincial capital, and an air base in Linchiu. Japanese sources said they lost one plane and the Chinese three in their air engagements.

Fresh Japanese troops were said to have driven 55 miles north and 50 miles northeast of Canton, killing 6000 Chinese in fierce fighting.

Chinese sources conceded most of the Japanese territorial claims but denied heavy losses in men. Previous Japanese reports said Japanese counter attacks on all fronts had smashed a Chinese winter offensive.

Contractors Face Charges Jan. 11

SAN FRANCISCO, Dec. 26.—(AP)—Thirty-five plastering contractors and members of the AFL Plasterers' union surrendered today and posted \$1000 bond each pending an appearance in federal court January 11 to answer indictments accusing them of violating the Sherman anti-trust act.

They were indicted last Friday by a special federal grand jury investigating the building industry.

Davies Named To Help With War Problems

Ex-Belgium Ambassador Will Take up new Emergency Duty

Trade Pact Connected Hinted by Capital Political Seers

WASHINGTON, Dec. 26.—(AP)—President Roosevelt today named Joseph E. Davies, American ambassador to Belgium as a special assistant to Secretary of State Hull to handle war emergency problems and international trade questions.

Davies will assume his new post on or about January 10. He is now in the United States, having been recalled to report to the president on the trade agreement negotiations with Belgium. Davies will retain the rank of ambassador until a new envoy to Belgium is appointed and sworn in.

The secretary of state already has two special assistants—Lynn R. Edminister and Leo Pavolsky—both experts in trade agreements. Edminister is connected with the department expressed the belief that instead of dealing with trade agreements at a desk in the state department, Davies might be used by Secretary Hull to lead one wing of the defending forces when the trade agreements are under attack in the next session of congress.

Long Now Heads Special Emergency Department

The "war emergency problems" mentioned in the White House announcement are now being handled by the special division of the state department created shortly after the outbreak of war. This is directed by Breckinridge Long, former ambassador to Italy, as chief of division and Hugh Wilson, former ambassador to Germany, as assistant chief. The problems include evacuation of Americans from Europe, representation of the interests of Britain, France, Canada and Australia in Germany, supervision of treatment of allied war prisoners in Germany and obtaining information on Americans or relatives of Americans in war areas.

President Roosevelt said at his press conference that Long would be transferred to another post, which he could not yet specify, and that Davies would take over most of his functions.

Nothing Said About Wage in New Post

Davies, who recently celebrated his 63rd birthday, did special war work for the government during the world war. He must shortly give up his salary of \$17,500 a year as ambassador. Nothing was said today about his new salary, which led to the supposition by one official that he might serve without pay. The salary of a special assistant is \$8000.

Davies was ambassador to Russia from 1926 until 1938, when he was made ambassador to Belgium.

Olson Asks Morse To Solve Dispute

SAN FRANCISCO, Dec. 26.—(AP)

—Rebuffed in every attempt to settle the 46-day waterfront strike, Gov. Culbert L. Olson planned today to seek a permanent solution of the harbor's "incessant squabbles and stoppages."

The governor proposed naming Wayne Morse, dean of the University of Oregon law school and Pacific coast waterfront arbitrator, to investigate the present 46-day ship clerk's strike and find a means of establishing permanent peace.

Dean Morse would have the "task of getting to the bottom of the hostilities and lack of confidence that underlies all these recurring troubles, and then trying to work out a program that will give the promise of permanent, lasting peace."

Efforts to Restore Peace Commended by President

WASHINGTON, Dec. 26.—(AP)

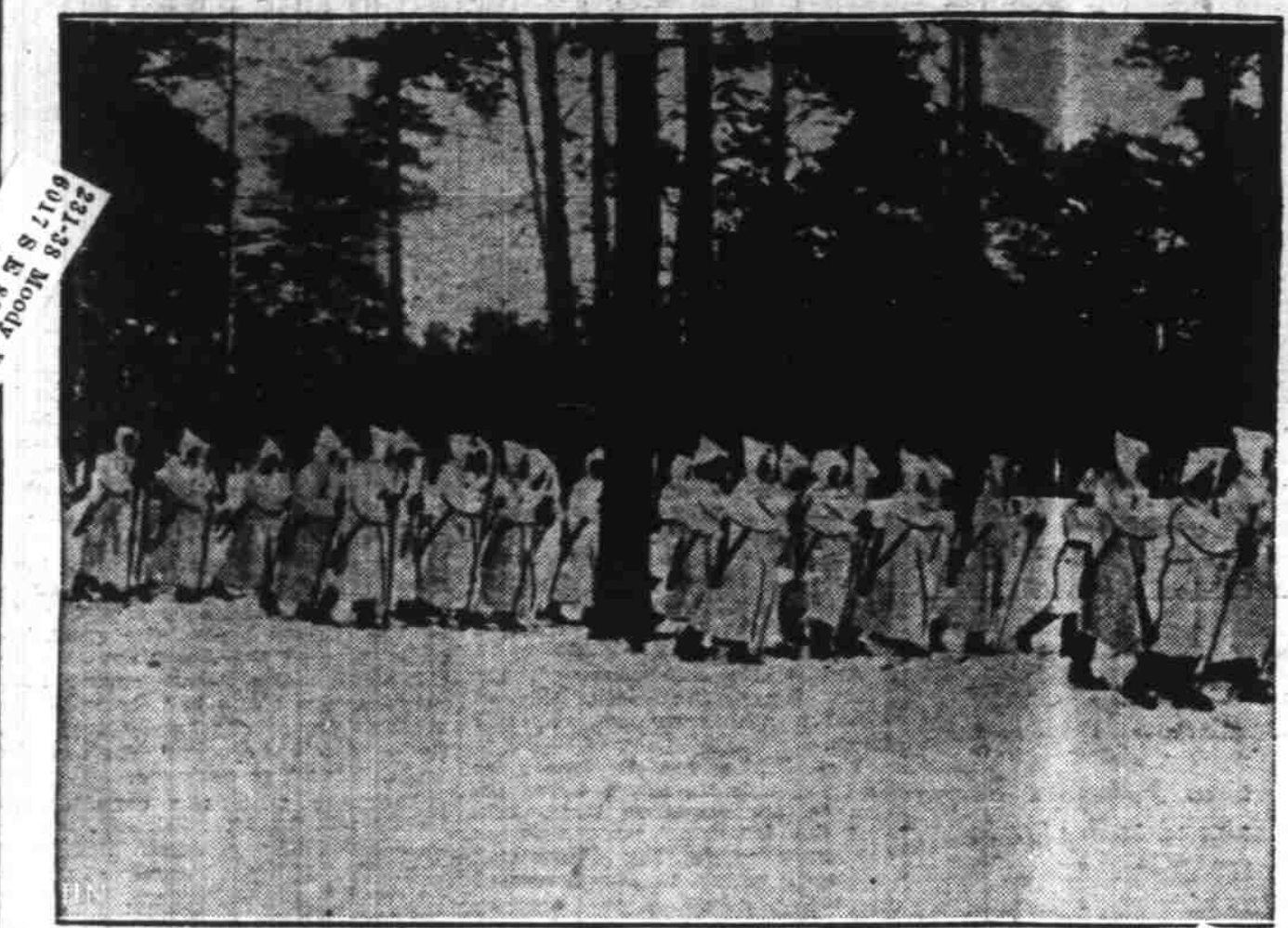
—Cooperation of governments and religious groups generally in efforts to restore peace to the world, was commended today by President Roosevelt.

After receiving an enthusiastic response from Protestant, Catholic and Jewish leaders to his own preparations for activity in that direction, Mr. Roosevelt was asked at a press conference to comment on reports that the Italian government and the Vatican were working together for peace.

He replied that the reports in question had not come to his attention, but that the greater the number of governments adopting such a program, the better it would be for the world.

The response of the pope was transmitted through Archbishop A. G. Cicognani, the apostolic delegate in the United States, and forwarded by Archbishop Francis J. Spellman of New York. It is to be supplemented later by a special message from the pope to the president replying to the latter's communication of last Saturday. Archbishop Cicognani wrote (Turn to page 2, column 1).

FINLAND'S "MEN IN WHITE" CHECK INVADERS



It was the dogged resistance of these Finnish troops, resembling more cowed monks than soldiers, who led Dictator Josef Stalin to order 800,000 crack Russian troops to the border of Finland under the direction of several of his personal friends, apparently to make new and more persistent raids on the defending nation. (IIN photo.)

Death Ends Career of Famous US Financier

Henry L. Doherty, Who Rose From Office Boy to Multimillionaire, Victim of Attack of Pneumonia at Temple Hospital

PHILADELPHIA, Dec. 26.—(AP)—Henry L. Doherty, who rose from office boy to multimillionaire, died tonight at Temple University hospital at the age of 69.

Dr. William Parkinson, dean of Temple's medical school, said Doherty, president of the Citic Service Oil company, died at 9:41 p. m. (EST) of bronchial pneumonia. He had been ill for several years.

With him at his death were his widow, Mrs. Grace Doherty, and W. A. Jones, executive vice-president of Citic Service.

Despite the ill health which so long had dogged him, Doherty's last two or three years of life had been among the most fruitful of his career, particularly in various researches which he had carried on.

Born in Columbus, O., on May 15, 1870, Doherty was an office boy at 12, gas company manager at 20, chief engineer at 30, millionaire at 35 and multimillionaire at 40.

He organized Citic Service in 1910. By 1929 it had assets of more than a billion dollars covering power, light, gas and oil properties in 33 states and several foreign countries. More than 400,000 stockholders were listed on the company's books.

Doherty attended Columbus public schools. At the age of 12 he went to work for the Columbus Gas Co., as an office boy and advanced through various jobs until 1890.

After that he served as engineer or manager of public utility companies at Madison, Wis., St. Paul, San Antonio, Denver, and 25 other cities until 1905 when he organized Henry L. Doherty & Co. He has since managed (Turn to page 2, column 2).

Body of Woman Is Found in River

REDDING, Calif., Dec. 26.—(AP)

—A diver retrieved the body of Mrs. Nora McCartney, 23, of Redding, from a cave 25 feet beneath the surface of the Sacramento river yesterday.

Mrs. McCartney leaped from the Free bridge early Saturday and Charles Linguist, construction worker familiar with the river, recovered the body 300 feet downstream from the cave to which he had theorized the body would have floated.

The woman's husband, Robert, was released yesterday by police when they found him sitting in his parked car on the bridge after a passing truck driver had reported witnessing the death leap.

District Attorney Laurence W. Carr said his investigation disclosed that highway patrolmen had seen the couple arguing in their parked car about 2.30 a. m. Saturday and had advised Mrs. McCartney to take the wheel as she appeared the more sober of the two.

Steamer Aground, In Need of Help

NEW YORK, Dec. 27.—(Wednesday)

—Mackay radio reported today it had intercepted a SOS from the 8537-ton steamer run aground in the Bahama Island area and would "need assistance."

The call said the mishap occurred at Diamond Point in the east end of Old Bahama channel. The United States coast guard, the radio corporation reported, dispatched the cutters Wichita and Mohave to her assistance.

The steamer, which carries passengers, is owned by the Lykes Brothers Steamship company. She is registered in the port of Houston, Tex. She was at San Juan, Puerto Rico, December 12.

Quotas on Sugar Will Be Resumed

Return to Pre-European War Price Level Is Basis of Action

WASHINGTON, Dec. 26.—(AP)—With sugar prices down to pre-European war levels, once more, President Roosevelt today re-established quotas marketing provisions of the 1937 sugar control act under which all marketing areas are assigned shares in the American market.

The provisions, suspended by presidential proclamation on September 11, will become effective again on January 1. The agricultural department expects to announce new quotas for the various marketing areas within 10 days.

Inasmuch as the 1939 quotas were not re-established, producers may market freely until the new year begins.

In re-imposing quotas, the president said that conditions which had prompted their suspension had disappeared. "These conditions," he said, were "extraordinary purchases" by consumers immediately after the outbreak of the war and consequent sharply increased prices and "excessive speculative activity" which accompanied the consumer "hoarding."

The suspension of quotas left all areas free to market all the sugar they desired. As a consequence, an ordinance forbidding dancing in any club—not a private residence—on a Sunday night, and New Year's celebrants are wondering what to do.

Another ordinance says dancing must stop at 11 p. m. Chief of Police Harry M. Niles says the code is clear enough. Dancing won't be legal until midnight and will become illegal at 1 a. m.

WPA Workers Seek To Curb Old Fire

NEW STRAITSVILLE, O., Dec. 26.—(AP)

—WPA announced today it is completing this week a million-dollar network of tunnels due to "rottle up" have destroyed \$55,000,000 worth of coal. The tunnels were filled with clay to form fire walls.

Engineers said the network was designed only to check the fires and not to extinguish them. Flames are now confined to an area of about 30 square miles. The fires broke out in the course of an 1884 strike.

Inquiry Fails to Show Crash Blame

A daylong investigation into the death Monday of Adolph Rue, 32-year-old Silverton man who was struck by an automobile there early Sunday unearthed no evidence of other violence in the case, Coroner L. E. Barrick reported last night.

Saying he and Sergeant Farley Mogan of the state police had spent the day on the case, Dr. Barrick declared that "as it now stands there is no ground for calling an inquest."

Dr. Barrick said Rue was reported to have suggested an autopsy to determine the exact cause of death.

SILVERTON, Dec. 26.—Funeral services for Adolph Rue, 32, who died Monday night following an automobile accident Sunday, will be held from Trinity church at 2 o'clock Thursday. Rev. M. J. K. Fahr will officiate with Larson and Son in charge. Interment will be at Evens Valley.

Late Sports

SKING

TIMBERLINE LODGE, Ore., Dec. 26.—(AP)—Don Frances of Oregon State college captured the novice collegiate ski-slam race on Mount Hood today. Martha Berg of the University of Washington won the women's division.

300,000 Crack Russ Troops - Massed on Finnish Border; Stalin's Friends Command

Russ Repulsed In East; 700 Dead Are Left

Attempt to Cross Icy Lake Is Costly to Invading Army

Finns Claim 23 Planes Shot Down in Day of Fighting

By LYNN HEINZLERING HELSINKI, Dec. 26.—(AP)—Heavy Russian forces, supported by tanks, airplanes and artillery, were reported tonight to have left 700 dead on the ice of Lake Suunto when repulsed in a series of fierce assaults against Finnish positions on the Karelian Isthmus.

The main attack, a Finnish communiqué said, occurred on the eastern side of the isthmus, where Russian columns struck simultaneously at Haltema, Sakkola, Krelja and Volossua.

Finland fire took a heavy toll of the attackers as they attempted to cross the frozen surface of Lake Suunto in bitter cold.

Altogether, the Finns said, 23 Russian planes were shot down in a day of fighting.

The night communiqué said the Finnish troops had captured 50 prisoners, disabled two tanks and taken quantities of war materials including 18 machine-guns in the Lake Suunto sector.

Fighting continued further north, to the east of Lieska, from which the Finns previously had been reported driving across the soviet frontier in the direction of the Murmansk railway. The Finns said they had destroyed 20 enemy lorries there.

Activity also was reported at Suomussalmi near the middle of the eastern frontier, where the communiqué said two Russian tanks had been destroyed.

(A Russian communiqué issued last night said the Finns had captured 50 prisoners and taken quantities of war materials. (Turn to page 2, column 1)

New Year Dances Off in Portland

PORTLAND, Dec. 26.—(AP)—The Portland municipal code contains an ordinance forbidding dancing in any club—not a private residence—on a Sunday night, and New Year's celebrants are wondering what to do.

Another ordinance says dancing must stop at 11 p. m. Chief of Police Harry M. Niles says the code is clear enough. Dancing won't be legal until midnight and will become illegal at 1 a. m.

Niles said he didn't know what to do about private clubs where membership cards are necessary for admission. None of the boys on the force are members.

WPA Workers Seek To Curb Old Fire

NEW STRAITSVILLE, O., Dec. 26.—(AP)

—WPA announced today it is completing this week a million-dollar network of tunnels due to "rottle up" have destroyed \$55,000,000 worth of coal. The tunnels were filled with clay to form fire walls.

Engineers said the network was designed only to check the fires and not to extinguish them. Flames are now confined to an area of about 30 square miles. The fires broke out in the course of an 1884 strike.

Duseldorf Leaves Cristobal Under British Prize Crew

COLON, Panama, Dec. 26.—(AP)

—While the Nazi freighter Duseldorf headed out to sea tonight under a British prize crew, German Consul Walter Schmidt said he had protested the vessel's clearance on the grounds that Cristobal was a neutral port.

Asserting he acted both as German consul and in the name of the North German Lloyd Line, of which he is the agent, Schmidt told The Associated Press: "I was under the impression that the ship was in neutral waters and relied upon the international ruling which forbids conveying a prize of war through such waters."

Consul Schmidt chuckled at the present predicament of Hans von Appen, German clerk who was a passenger aboard the freighter. Von Appen was still in the Canal Zone quarantine station at Balboa where he was sent until his status is cleared up.

Taken off for medical examination yesterday when he complained of a serious illness, he was transferred to Santo Tomas hos-

Vigorous Return Blow to Setbacks Administered by Defenders Is Believed Cause of Action

Estimated 4000 Lost to Soviets in First Attacks; All But 6000 Removed From Viipuri

COPENHAGEN, Dec. 27.—(Wednesday)—(AP)—Joseph Stalin has massed 300,000 of his best soldiers on the eastern and northern fronts under command of some of his personal friends, it was reported from Finnish northern army headquarters early today. This action came after reverses which have forced a red army retreat of 50 miles in some places.

Provoked by the setback administered by the Finns under the bitter conditions of the Arctic winter, Stalin was believed by Finnish commanders to have determined upon a vigorous return blow.

The Finns estimated the red army has lost 4000 men in fighting in the extreme north along the last three days.

Other dispatches from southern Finland said citizens of Finland's second city, Viipuri, were leaving their homes after intermittent long-distance shelling of the port city by Russian artillery.

Only about 6000 regular residents of the city's 40,000 population remained.

Some of the troops reported moved up for a counter-offensive in the north were said to be veterans of the Polish campaign.

The Finns expected some of these Russian reinforcements to make a new attempt to smash across middle Finland in an effort to reach the Kemijarvi railroad and cut the country in two. It was in this area that the Russians had been driven back about 50 miles in the last few days, according to Finnish reports.

The Russians also were forced to make a retreat in bitter blizzards in the far north, where they were reported holding lines about 20 miles behind the point of their farthest advance.

General Wallenius, commander of the Finnish northern forces, was quoted as saying he expected the Red army drive to come in the vicinity of Salla, near Finland's "waistline," and said his information indicated the Russians had massed 300,000 men on the eastern front from Lake Ladoga in the south to the Arctic ocean.

Finns Make Ceaseless Attacks on Retreaters (Oslo dispatches said Norwegian observers near the frontier of the Finnish Lapland had noticed large quantities of Russian war materials arriving, and that a Russian offensive was expected from Hovonjari, 60 miles south of the Arctic, despite widespread blizzards and sub-zero temperatures.)

The Finns had made ceaseless attacks on the retreating Russians in this far northern sector, it was reported, and subjected them to many surprise attacks.

Finnish headquarters believed the Russian withdrawal there was (Turn to page 2, column 5)

Adolf Hitler in Santa Claus Role

Nazi Dictator Gives Out Presents; Crosses to French Territory

BERLIN, Dec. 26.—(AP)—Adolf Hitler, playing Santa Claus to his western front troops, returned briefly to French soil Christmas eve, 21 years after he last left it as a prisoner of war.

His visit was disclosed today, presumably after the Fuehrer had left the Saarbruecken region where he crossed the border a few hundred yards from French lines.

An authoritative account of the excursion said he entered France at a section which now is a woman's-land and continued on to Spichenen heights, between Saarbruecken and Forbach. There he spent "some time" in a sector occupied by French troops until (Turn to page 2, column 3)

Kennedy Chosen Rural Supervisor

JACK W. Kennedy, principal at Hayesville school for the last four and a half years, will become county rural school supervisor January 1, County Superintendent Agnes C. Booth announced yesterday.

Kennedy will take over functions which have been performed by Wayne L. Harding, who is slated to become fall time 411 club leader for the county.

Kennedy, who taught at Coquille and Woodburn before going to Hayesville, graduated from Oregon College of Education at Monmouth and has taken additional work at the University of Oregon. He is 30 years old.